

Zurich, 5 September 2005

Swiss Life reports CHF 463 million net result for first half of 2005

In the first half of 2005 the Swiss Life Group generated a net result of CHF 463 million (corresponding period of previous year: CHF 358 million), with earnings per share at CHF 12.93 (corresponding period of previous year: CHF 11.90). Gross written premiums (including deposits under investment contracts) rose to CHF 11.6 billion, for a growth rate of 6% adjusted for divestments and one-off impacts. The operating costs were reduced by a further 2%. Shareholder's equity rose by 19% in the first six months of the year, to CHF 7.5 billion. The return on equity came to 13.4%. As of 1 January 2006 the management structure will be adjusted to the strategic priorities. Bruno Pfister, currently Chief Financial Officer, will assume responsibility for the Group's international business. His successor as CFO will be Thomas Müller, now CFO at Banca del Gottardo.

Rolf Dörig, Group CEO, had this to say on the first-half performance: "These results confirm the progress we have been making over the last three years. We seized the growth opportunities abroad and increased our profitability in Switzerland. We are well on the way to improving the basic insurance result substantially on a sustainable basis. This will put us in a position to achieve a net result of CHF 1 billion by 2008."

The Swiss Life Group generated a net result of CHF 463 million for the first half of 2005. After allowing CHF 16 million for minority interests, CHF 447 million is attributable to shareholders. This translates into (diluted) earnings per share of CHF 12.93 and a return on equity of 13.4%. All segments and all countries contributed to this most welcome outcome.

Operating result improved 13% on a like-for-like basis

Two one-off impacts – restructuring costs and a special tax situation – had an influence on the results. The integration of «La Suisse» into Swiss Life has already entailed a charge of CHF 60 million in the first half of the year against the planned restructuring costs of CHF 80 million. A positive tax effect in the amount of about CHF 100 million was due to the partial release of a tax provision in France as the result of a change in the law and the restructuring of the real estate business in Switzerland. The impact of the fiscal effect on the CHF 541 million operating result (corresponding period of previous year: CHF 595 million) was negative because part of it (CHF 31 million) was allocated to policyholder bonuses. When making comparisons to the prior year period, it should also be borne in mind that the operating result at that time included a positive contribution arising from the operations which have since been sold in the UK (CHF 75 million), and in the other direction, an outlay for amortisation of goodwill (CHF 39 million). On a like-for-like basis the operating result thus rose by CHF 73 million or 13% over the same period of the previous year. Most of the operating result was generated by the insurance business (CHF 427 million) and banking operations (CHF 80 million).

Gross written premiums show organic growth of 6%

Gross written premiums (including deposits under investment contracts) came to CHF 11.6 billion in the first half of 2005. This meant that they achieved organic growth of 6% year-on-year, after adjustment for divestments, special situations and currency effects. While there was a slight decline in premiums on this basis in Switzerland (-3%), premium income abroad rose 16% in all (France: +16%, Germany: +2%, Netherlands: + 11%, Belgium/Luxembourg: +47%).

Excellent financial results – 8% (annualised) return on investments

The financial result for own-risk investments came to CHF 2.9 billion, matching that recorded in the same period of the previous year. While the direct return on investments fell slightly because of lower interest rates, realised and unrealised gains reached the level achieved in 2004. The direct return on insurance portfolio investments in the first half of the year came to 1.9% (not annualised). The non-annualised total return was clearly higher at 3.9%, which was mainly attributable to value growth by interest-sensitive investments due to the decline in interest rates. The annualised return on investments came to 8.0%, while risk was held at a low level. Net equity exposure stood at 2.1% as of 30 June 2005.

Insurance benefits down slightly

Insurance benefits paid decreased by 4% to CHF 8.5 billion net. The drop can be primarily attributed to a reduction in the business volume in Switzerland and a positive trend in claims experience. A total of CHF 870 million (corresponding period of previous year: 864 million) was appropriated for bonus distributions to policyholders.

Operating costs (adjusted) reduced another 2%

Operating costs were lowered by a further 2%. Operating expenses as a whole increased by CHF 59 million to CHF 1.5 billion. Restructuring costs of CHF 60 million, higher provisions due to the business growth and the increased expense for the amortisation of deferred acquisition costs contributed to this increase. As of 30 June 2005 the Swiss Life Group employed a workforce of 9266 on a full-time equivalent basis (end 2004: 9419). The decrease in the first six months of the year was mainly due to the integration of «La Suisse» into Swiss Life.

Equity up 19% to CHF 7.5 billion

Shareholder's equity rose by 19% in the first half of 2005, to CHF 7.5 billion. This rise resulted mainly from the increase in valuation reserves for bonds due to falling interest rates, as well as from the profit generated. Core capital for capital adequacy purposes, which includes deferred Group-related funds in addition to core capital per se, improved by 24% to stand at CHF 17.1 billion. The solvency margin of the Swiss Life Group climbed from 192% to 252% in the first six months of the year.

Embedded value per share equals CHF 248

Embedded value, which serves as an indicator of the value of the existing insurance portfolio, rose by 6% at the Swiss Life Group in the first half of 2005 to CHF 8.4 billion. The return on investments, clearly above the assumptions in the model, made a major contribution to the growth in embedded value. New business accounted for another CHF 23 million of the growth. The net margin on new business fell from 7.4% in the same period of the previous year to 3.4% due to the lower interest assumptions caused by market conditions. The result as of 30 June 2005 was an embedded value per share of CHF 248.

Adjusting the management structure to strategic priorities

In connection with the Group's strategic targets, the Board of Directors and the Corporate Executive Board have decided to streamline the management structure and make slight adjustments to the assignment of responsibilities in the Corporate Executive Board. This is primarily a matter of clearly delineating the responsibilities of the Group Head Office, the Swiss market organisation and the international business. Interfaces will be reduced, and better account will be taken of the different priorities in Switzerland (boosting profitability) and abroad (profitable growth). Bruno Pfister, the current Chief Financial Officer, will assume responsibility for the Group's international business. His successor as CFO of the Swiss Life Group, Thomas Müller, is CFO at Banca del Gottardo. Rolf Dörig, Chief Executive Officer, remarked about the appointment: "I am delighted that we were able to fill the key position of Chief Financial Officer with an in-house appointment. Thomas Müller is an outstanding leader with great experience in financial and risk management. He will be a real asset to the existing Corporate Executive Board." These organisational and management changes will come into force on 1 January 2006.

Transmission of today's events and further documentation

Today's events scheduled for 08.00 (presentation to analysts and investors, in English) and 10.30 (presentation for the media, in German) can be followed by visiting www.swisslife.com. All additional documentation concerning the half-year results can likewise be found there.

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Swiss Life

The Swiss Life Group is one of Europe's leading providers of pension and life insurance products. The Swiss Life Group offers individuals and companies comprehensive advice across a broad range of products via agents, brokers and banks in its domestic market, Switzerland, where it is market leader, and selected European markets. Multinational companies are serviced with tailor-made solutions by a network of partners in over 40 countries. With the Banca del Gottardo, the Swiss Life Group is also a provider of banking services. The bank, headquartered in Lugano, has an extended national and international network of offices and more than CHF 50 billion in customer assets under management.

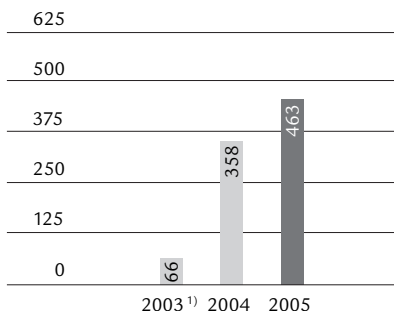
Swiss Life Holding, registered in Zurich, dates back to the Swiss Life Insurance and Pension Company founded in 1857. Shares of Swiss Life Holding are listed on the SWX Swiss Exchange (SLHN). The Swiss Life Group employs a staff of around 10 000.

Cautionary statement regarding forward-looking information

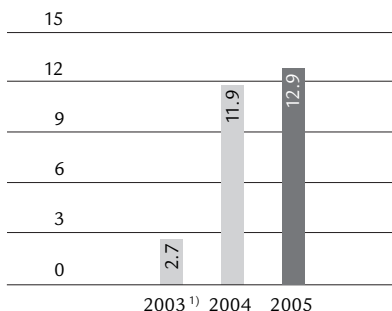
This publication contains specific forward-looking statements, e.g. statements including terms like "believe", "assume", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

Key Figures (unaudited)

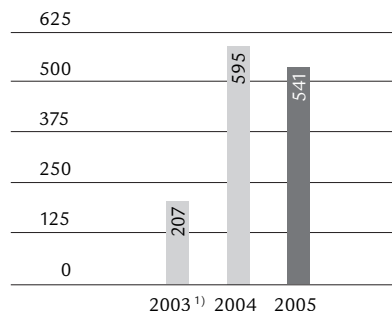
Net result as at 30.6. CHF million



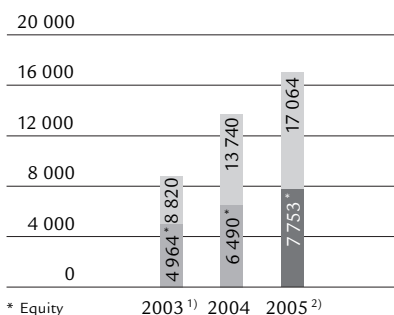
Earnings per share as at 30.6. CHF



Net result from operations as at 30.6. CHF million

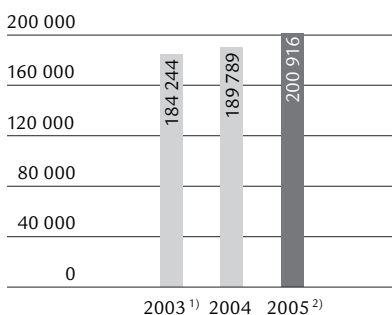


Core capital CHF million

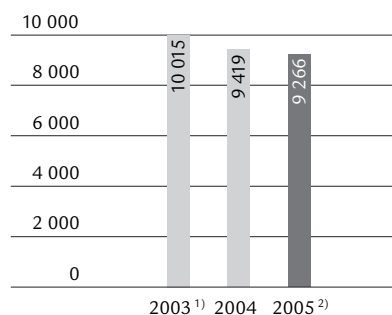


* Equity

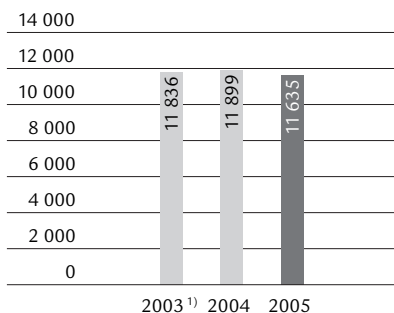
Assets under management CHF million



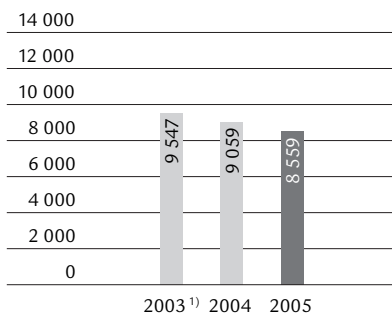
Employees (full-time equivalents)



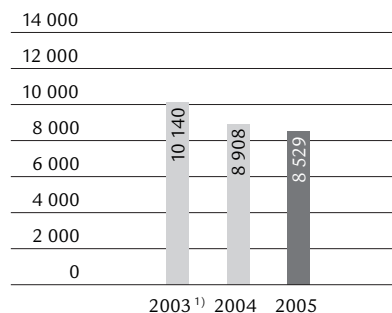
Gross written premiums as at 30.6.³⁾ CHF million



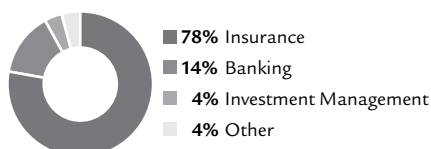
Net earned premiums and policy fees as at 30.6. CHF million



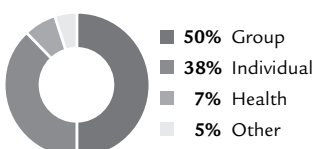
Net insurance benefits, claims and claims settlement costs as at 30.6. CHF million



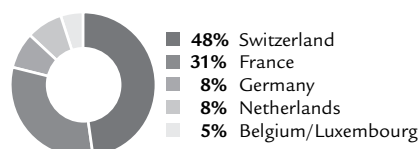
Operating result by segment as at 30.6.



Insurance business, premiums by type of insurance as at 30.6.



Gross written insurance premiums by country as at 30.6.^{3,4)}



1) The 2003 figures were not adjusted to the financial reporting requirements as per 1 January 2005.

2) As at 30.6.2005

3) Gross written premiums and fees incl. deposits under investment contracts

4) On consolidated basis

Consolidated Statement of Income (unaudited)

Consolidated statement of income for the half-years ended 30 June

In CHF million	2005 HY	2004 HY
		restated
Income		
Insurance premiums earned	8 469	9 464
Insurance premiums ceded to reinsurers	-113	-599
Net earned insurance premiums	8 356	8 865
Policy fees arising from insurance contracts	73	87
Fee income	344	348
Investment income	2 572	2 634
Net gains/losses on financial assets	1 128	265
Net gains/losses on financial instruments at fair value through profit or loss	-667	82
Net gains/losses on investment property	-23	-51
Other income	70	32
Total income	11 853	12 262
Expenses		
Insurance benefits, claims and claims settlement costs	-8 584	-9 350
Insurance benefits, claims and claims settlement costs ceded to reinsurers	55	442
Net insurance benefits, claims and claims settlement costs	-8 529	-8 908
Policyholder participation	-870	-864
Interest expense	-385	-426
Commission expense	-492	-442
Employee benefits expense	-652	-616
Depreciation and amortisation expense	-295	-312
Impairment of property and equipment and intangible assets	0	-3
Acquisition and origination costs deferred	273	280
Other expenses	-362	-376
Total expenses	-11 312	-11 667
Net result from operations	541	595
Borrowing costs	-95	-81
Share of results of associates	4	2
Net result before income tax	450	516
Income tax expense	13	-158
Net result	463	358
<i>Net result attributable to</i>		
Equity holders of Swiss Life Holding		
Other reserves	447	343
Minority interest	16	15
Net result	463	358
Basic earnings per share for the net result attributable to the equity holders of Swiss Life Holding (in CHF)	13.35	11.95
Diluted earnings per share for the net result attributable to the equity holders of Swiss Life Holding (in CHF)	12.93	11.90

Consolidated Balance Sheet (unaudited)

Consolidated balance sheet

In CHF million	30.06.2005	31.12.2004
		restated
Assets		
Cash and cash equivalents	8 194	8 649
Insurance and other receivables	4 815	4 669
Derivatives	899	1 643
Financial assets at fair value through profit or loss	21 646	19 363
Financial assets available for sale	86 268	77 978
Loans	29 262	29 655
Financial assets held to maturity	4 198	4 147
Financial assets pledged as collateral	613	878
Investment property	11 624	11 518
Investments in associates	57	58
Reinsurance assets	961	1 031
Property and equipment	1 220	1 237
Intangible assets including intangible insurance assets	3 236	3 407
Current income tax assets	14	14
Deferred income tax assets	52	30
Non-current assets held for sale	276	-
Other assets	437	459
Total assets	173 772	164 736
Liabilities and equity		
Liabilities		
Insurance and other payables	5 019	4 225
Derivatives	1 749	930
Financial liabilities at fair value through profit or loss	5 666	4 939
Investment contracts with discretionary participation	21 761	19 988
Investment contracts and deposits at amortised cost	9 261	8 181
Borrowings	6 359	6 313
Insurance liabilities	103 462	103 068
Discretionary participation liabilities	7 285	5 680
Defined benefit liabilities	2 662	2 594
Current income tax liabilities	275	287
Deferred income tax liabilities	1 359	1 155
Provisions	215	193
Liabilities associated with non-current assets held for sale	324	-
Other liabilities	622	693
Total liabilities	166 019	158 246
Equity		
Share capital	1 689	1 689
Share premium	2 210	2 213
Less: treasury shares	-49	-38
Other reserves	3 640	2 413
Total shareholders' equity	7 490	6 277
Minority interest	263	213
Total equity	7 753	6 490
Total liabilities and equity	173 772	164 736